



Office of
Public School Construction

SCHOOL FACILITY PROGRAM UPDATE

Presented by Lisa Silverman, Executive Officer
October 27-28, 2014

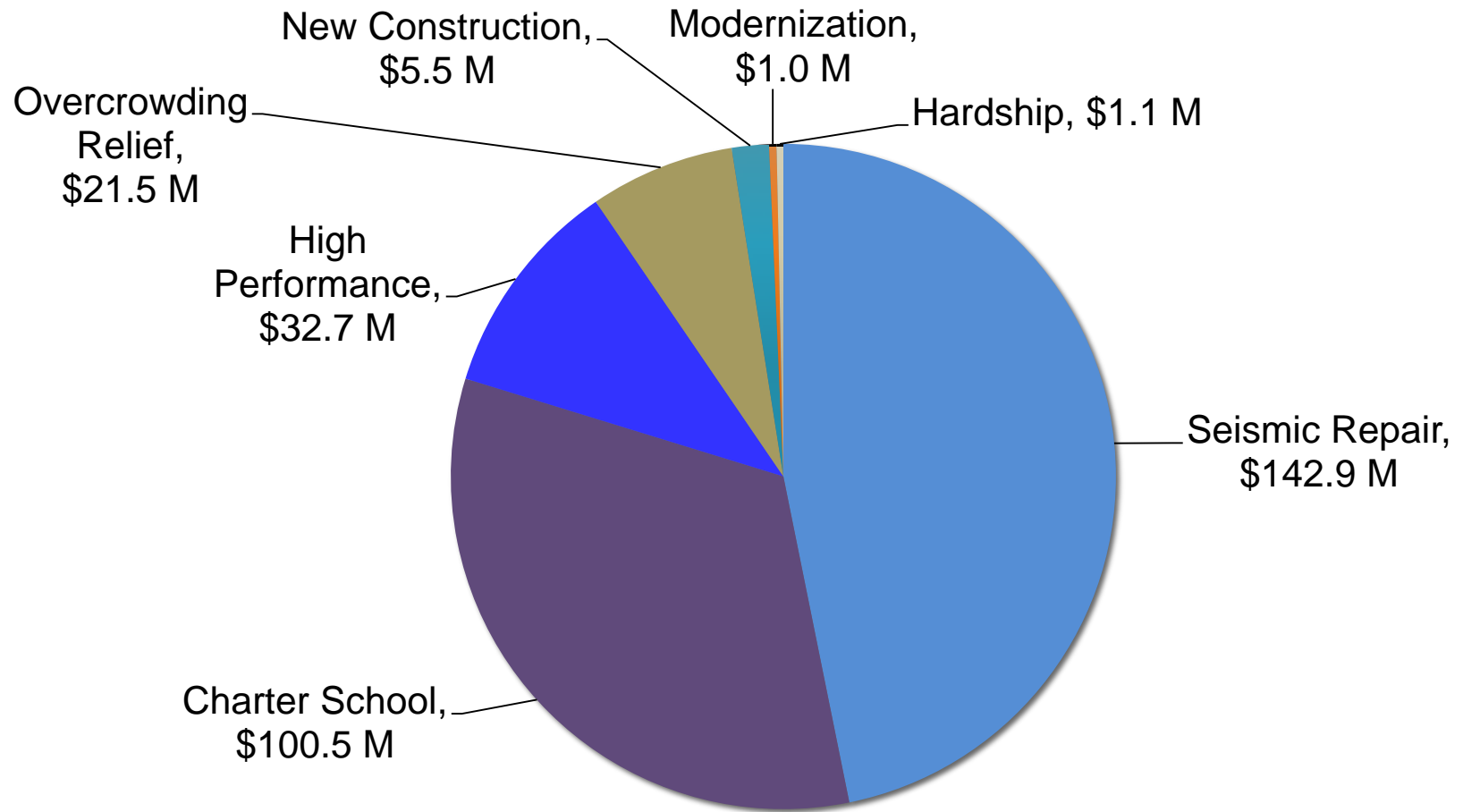


Topics

- Remaining Authority
- Unfunded Lists
- Active Programs
- Application Processing
- Financial Hardship
- Priority Funding
- OPSC Workload
- State Allocation Board Information

Bond Authority – Remaining

\$305.2 Million (as of October 16, 2014)



Bond Authority – Transfers

State Budget transfers remaining bond authority from specialized programs, effective January 1, 2015

Bond authority comes from...

- Career Technical Education Program
- High Performance Incentive Grant

Bond authority goes to...

- Authority available on January 1, 2015 is split 50/50 between New Construction and Modernization
- For authority returning after January 1, 2015, SAB determines percentages split between New Construction and Modernization

Emergency Repair Program Authority

(\$800 Million Settlement Authority)

ERP Funding Requests (as of October 16, 2014)

Previously Funded

- 6,992 projects for \$525.9 M

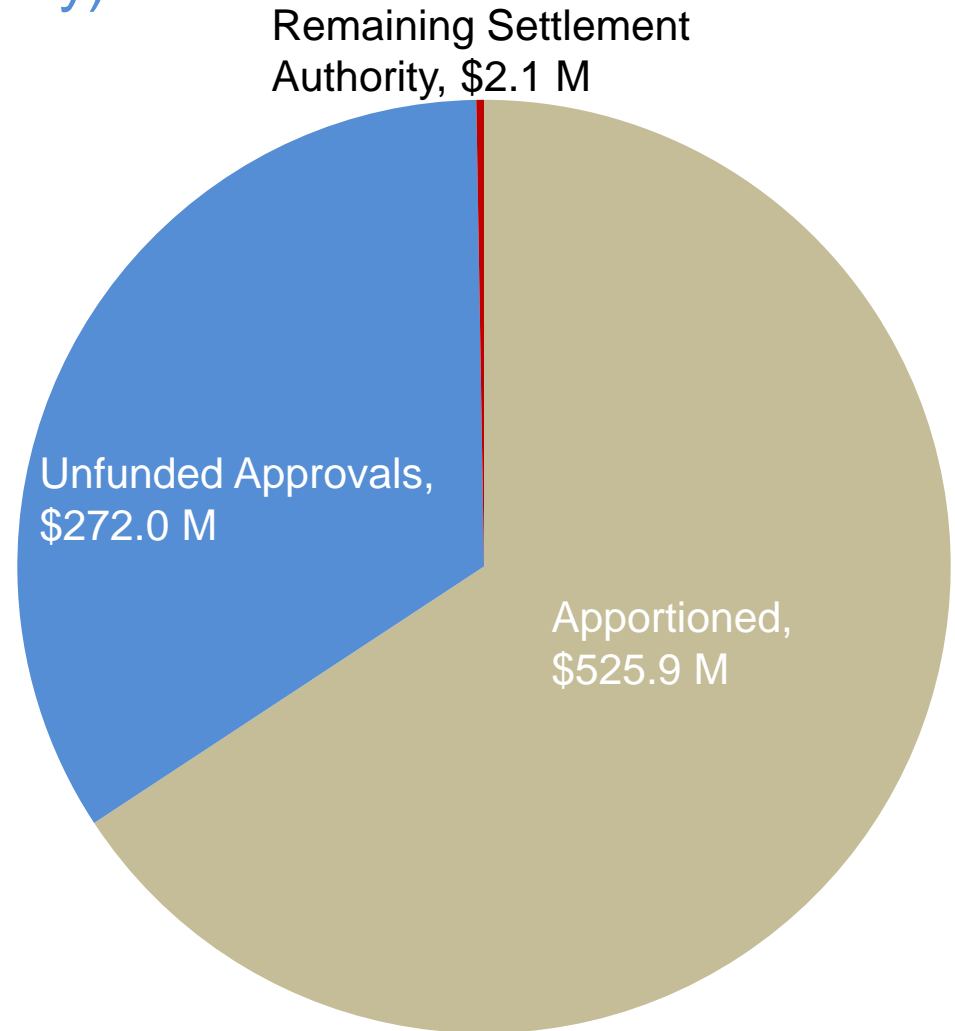
October 16, 2014 Apportionments

- 352* projects for \$94.1 M

ERP Unfunded List

- 643* projects for \$272.0 M

* Projects that were apportioned on October 16, 2014 are counted twice. They will receive 70 percent funding in October, but remain on the ERP Unfunded List until the remaining 30 percent is funded.



Unfunded Lists for New Construction and Modernization

New Construction	Unfunded List (Lack of AB 55 Loans) Applications Received Prior to July 12, 2012	"True" Unfunded List* Applications Received July 13, 2012 to October 31, 2012	"Acknowledged" List* ** Applications Received on or after November 1, 2012
	Unfunded List (Lack of AB 55 Loans) Applications Received Prior to May 3, 2012	"True" Unfunded List Applications Received May 4, 2012 to October 31, 2012	"Acknowledged" List Applications Received on or after November 1, 2012
	Unfunded List (Lack of AB 55 Loans) <ul style="list-style-type: none"> Fully processed by OPSC SAB Approved - Bond Authority Waiting for an Apportionment through Priority Funding round - no guarantee of future funding. 	"True" Unfunded List <ul style="list-style-type: none"> Fully processed by OPSC SAB Approved - no Bond Authority No guarantee of future funding or bond authority. Could be placed on "Lack of AB 55 Loans" List if bond authority becomes available under current program. 	"Acknowledged" List <ul style="list-style-type: none"> School board resolution required with submittal of application. Accepted but not processed by OPSC. SAB acknowledges but does not approve. No guarantee of future funding or bond authority.
	As of 8/20/14 62 applications for \$148.2 M	As of 8/20/14 142 applications for \$393.1 M	As of 9/30/14 323 applications for \$669.5 M

- Applications on this List have no Bond Authority or guarantee of future funding.
- ** If a school facilities program is approved in the future, it is unknown whether these projects will be processed or eligible for funding under the new criteria.

Active Programs

Facility Hardship

	2013 PROJECTS	2013 FUNDING (in millions)	2014 PROJECTS (as of 10/16/14)	2014 FUNDING (in millions) (as of 10/16/14)
Facility Hardship	14	\$24.1	0	\$0
Seismic Mitigation	7	\$7.9	14	\$18.2

- OPSC is available to assist with the application process
 - Project managers actively reach out to districts located near recent natural disasters

Active Programs

Seismic Mitigation Program (SMP) - Facility Hardship

- Active plans at DSA: 2 districts, 2 structures, likely 2 applications
- Funding applications approved at August SAB: 3 for \$5.5 million
 - Conceptual approval at August SAB: 1 for \$5.6 million
- Estimated amount available: \$142.9 million
- Funding applications currently in house: 2
- OPSC is available to assist with the application process

Active Programs

Charter School Facilities Program (CSFP)

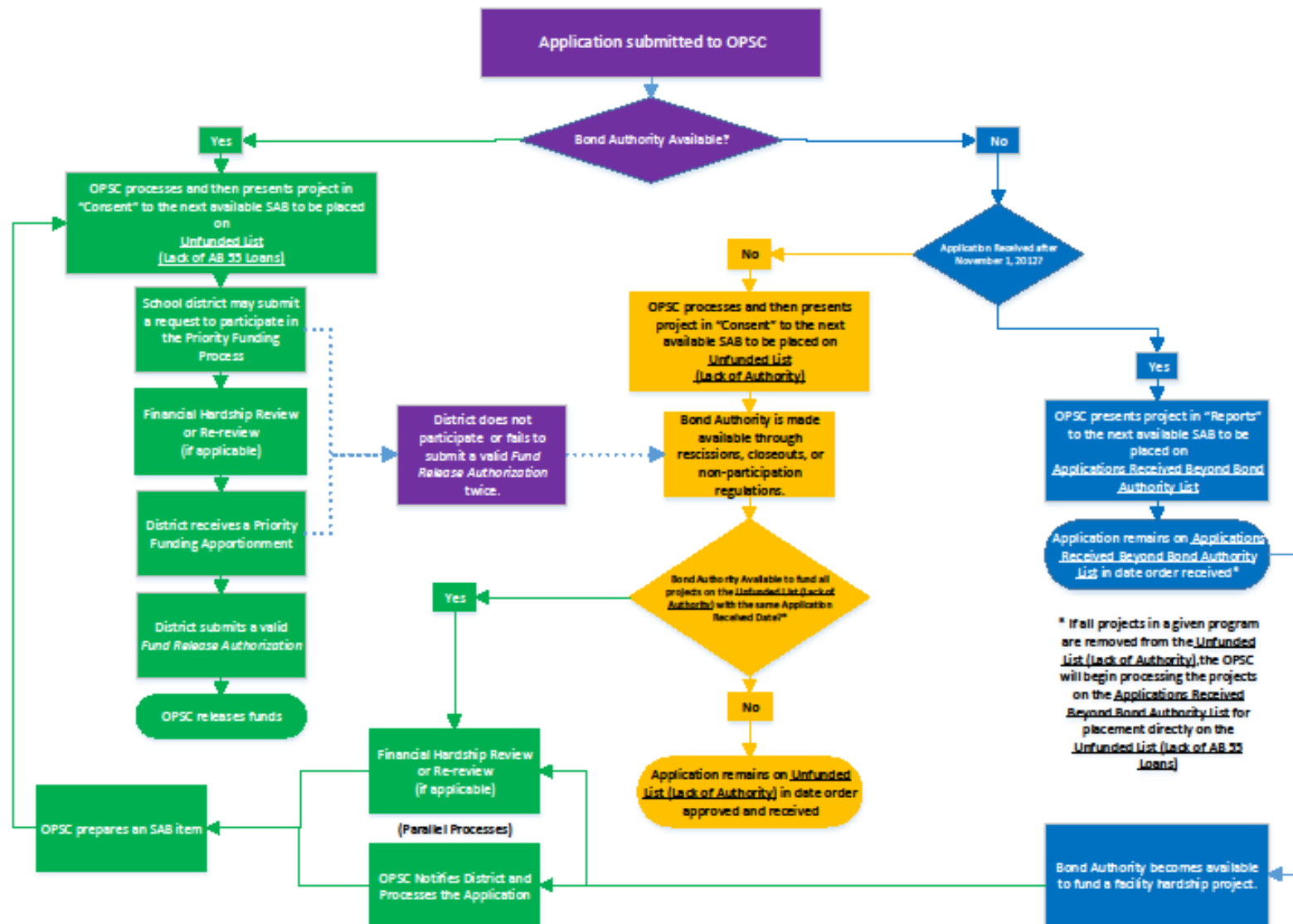
- In-house Conversions
 - August SAB: 3 projects
 - Funds Requested: \$14.7 million
 - Conversions currently in-house: 1 for \$13.8 million
- \$91.6 million in Bond Authority available
 - Filing round ended May 30, 2014
 - Funds Requested: Over \$600 million
 - Charters must be found financially sound by the California School Finance Authority to receive funding
 - SAB item expected later in 2014

Active Programs

Overcrowding Relief Grant (ORG)

- \$21.5 million in bond authority available
- Last (12th) funding cycle was oversubscribed
 - Applications Received: 14 for \$84.9 million
- No additional funding rounds are scheduled
 - On August 20, 2014, the SAB decided that future funding be made available to 12th funding cycle applications currently in house
- Any return of authority remains with the program
- Nonparticipation process applies once regulations are approved by the Office of Administrative Law
 - ORG projects on Unfunded List: 14 (\$103.1 million)

Process for Approving Projects to be Placed on the Unfunded List (Lack of AB 55 Loans) vs. Unfunded List (Lack of Authority)



Application Processing

Applications received on or after November 1, 2012*:

- Not fully reviewed or processed by OPSC
- Not approved by the SAB
- Placed on the Acknowledged List

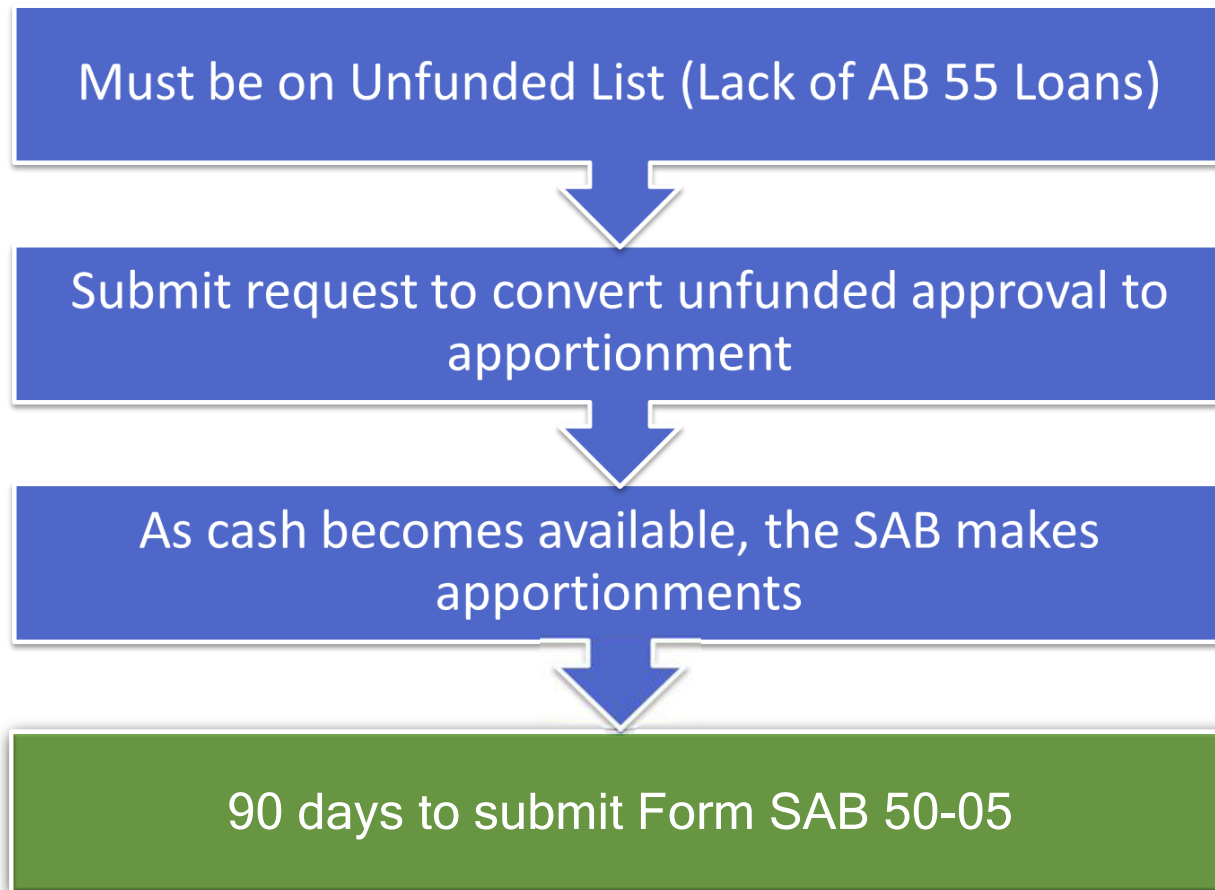
* With the exceptions of Charter and Overcrowding Relief Grant

Application Processing – Financial Hardship Review

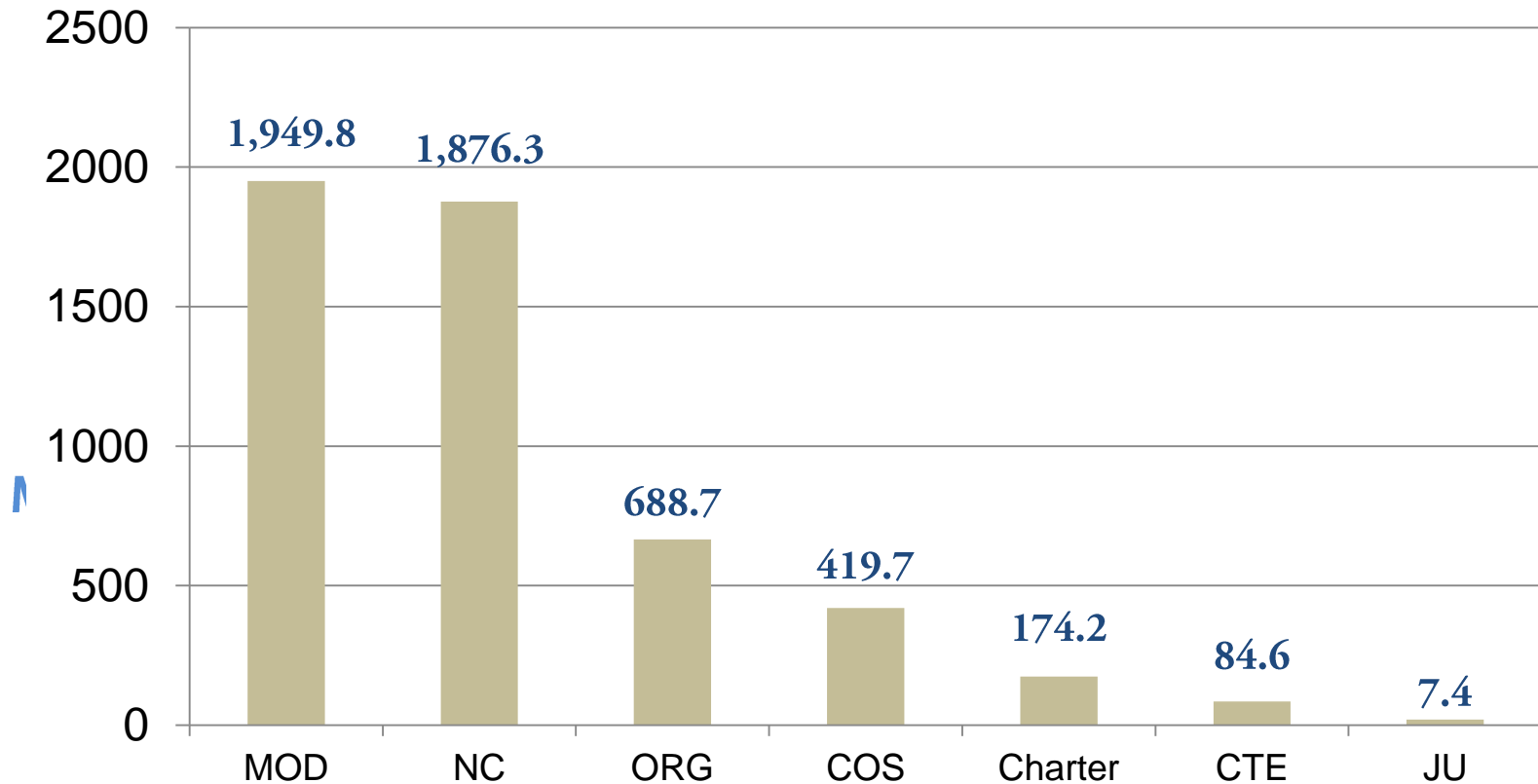
(After November 1, 2012)

- OPSC will not accept Financial Hardship (FH) packages for programs lacking bond authority
- Districts can submit *Application for Funding* (Form SAB 50-04) to get on Acknowledged List without FH approval letter
- If authority becomes available, projects on unfunded list for 180 days or more will be reviewed to determine if additional funds are available
- Contact: John Leininger, Supervisor
 - (916) 375-4610, john.leininger@dgs.ca.gov

Priority Funding



Priority Funding: \$5.36 Billion Apportioned, \$5.11 Billion Released, a 95 percent Success Rate



**Distribution of Priority Funding Projects
Successful through Release of Funds**

Priority Funding – Apportionments

Seventh Round – Filing from May 14, 2014 to June 12, 2014

- Projects apportioned: 36 projects for \$100.5 million
 - Every district that submitted a certification received an apportionment!
 - Funding includes \$73 million from the October 7, 2014 General Obligation Bond Sale
- Fund Releases Requested: \$26.0 million*
(Includes automatic fund releases)
 - Success Rate Based on Funds Released: 26 percent

Fund Release Requests must be received
by 5:00 p.m. on Tuesday, November 18, 2014

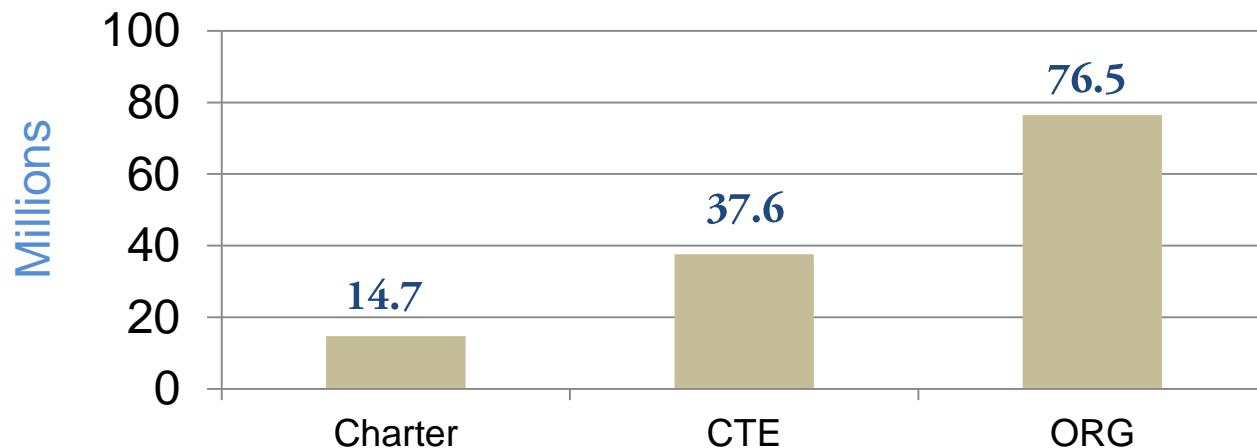
Priority Funding – New Programs

- Regulatory amendments to add additional programs to those required to participate in the Priority Funding process became effective October 1, 2014
 - Charter School Facilities Program
 - Overcrowding Relief Grant
 - Career Technical Education
 - Amendments maintain 12-month period from date of apportionment; enabling applicants time to acquire CDE and DSA approvals
 - To receive funding, districts must submit the DSA approved plans and specifications, final DSA plan approval letter, final CDE plan approval letter, and final cost estimate
 - Receipt of the CDE and DSA approval plans would trigger the 90-day period for a Fund Release Request (Form SAB 50-05)

Priority Funding – Rescissions

- Beginning with the November 2014 Priority Funding filing period, Charter, Career Technical Education, and Overcrowding Relief Grant projects are subject to the Nonparticipation regulations:
 - The earliest that a project in one of these three programs could be rescinded for two occurrences of nonparticipation is June 2015.

Projects with the potential to be rescinded in June 2015



Priority Funding

Next filing period

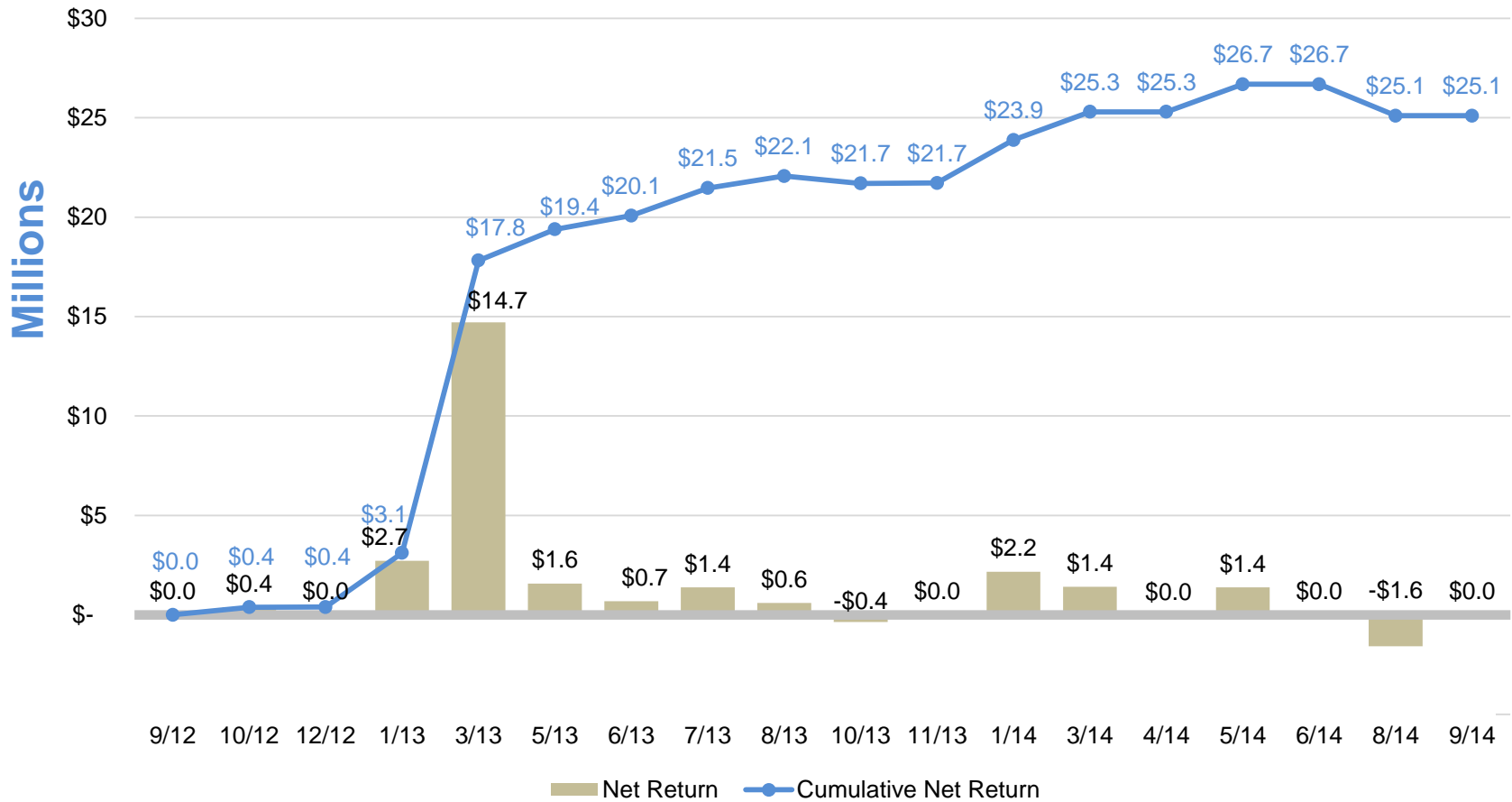
- November 12, 2014 through December 11, 2014
- Requests valid from January 1, 2015 to June 30, 2015

Requests must have original signatures and
be physically received by the OPSC
prior to COB on the last day of the filing period

OPSC Workload

- Post-Unfunded Approval functions
- 30-day Priority Funding request filing periods
- Re-review Financial Hardship when bond sales occur or cash becomes available
- Process requests to convert unfunded approvals to apportionments
- Prepare SAB items
- After SAB apportionments, process fund release requests
- Ensure Substantial Progress is being met
- Close out projects
- Prepare regulations for SAB approval as a result of legislation
- SAB Subcommittee preparation
- School district outreach

Project Closeout Recoveries for New Construction (SAB Meetings, September 2012 – September 2014)



State Allocation Board Members



Michael Cohen, Chair
Director, Department of Finance
Designee: Eraina Ortega,
Chief Deputy Director of Policy



Fred Klass
Director, Department of General Services
Designee: Esteban Almanza,
Chief Deputy Director



Senator Jean Fuller



Senator Loni Hancock



Senator Carol Liu



Tom Torlakson
State Superintendent of Public Instruction,
Department of Education
Designee: Kathleen Moore,
Director of CDE School Facilities & Transportation Division



Cesar Diaz
Governor's Appointee



Assembly Member Joan Buchanan, Vice Chair



Assembly Member Curt Hagman



Assembly Member Adrin Nazarian

State Allocation Board Schedule

Tuesday, November 25, 2014*

10:00 a.m.

State Capitol, Room 447

*Meetings are subject to change

Questions?

Please let us know if you have any questions...

Lisa Silverman, Executive Officer
(916) 376-1771

Please send comments and suggestions to:
OPSCcommunications@dgs.ca.gov